

MAR 4 1966

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'Hawk' Group Gets Tax Break

Contributions to promote the "Hawk" position in the Viet Nam war are tax deductible, but, as this column discovered today, contributions to support the "Dove" position are not.

This in essence is the stand the Internal Revenue Service has chosen to take in the bitter political debate now going on over U.S. policy on Viet Nam. The IRS, in effect, has intervened on the side of the administration.

The Internal Revenue Code expressly prohibits tax exemption for "action" groups that "substantially" engage in political activity, especially where legislation might be influenced. And the present Congress, of course, is loaded with legislation related to Viet Nam.

The new IRS ruling revolves around a group called Affirmation: Vietnam, organized to promote a nationwide series of rallies in support of American involvement in Viet Nam.

Student leaders of the three-month-old organization, based at Emory University in Atlanta, already claim affiliate branches on 54 Georgia campuses. Several weeks ago they staged a large rally at the Atlanta Stadium, which was addressed by Secretary of State Dean Rusk. Also, with the help of its tax ruling, Affirmation: Viet Nam, has been able to raise \$60,000 in contributions. All but one of Atlanta's banks, for instance, donated \$1,000 each.

Here are the critical questions raised by this IRS ruling:

1—Why was Affirmation: Viet Nam able to get an exemption that ordinarily is granted only to organizations

primarily engaged in charitable and educational work?

2—Why has the IRS declined to grant similar status to groups with a different point of view on the war?

3—How did Affirmation: Viet Nam not only obtain a favorable ruling, but obtain it in record or near record time for an application of this nature?

The answer to the last question centers on Remar M. Sutton Jr., an Emory senior, who is general chairman of Affirmation: Viet Nam. Sutton flew to Washington and called on aides to President Johnson, Vice President Hubert Humphrey and Rusk. He also visited the IRS, where he was told that such tax exempt applications usually take a minimum of 30 to 90 days to process.

Not satisfied with this, Sutton, as he told the New York Times, called "a colonel—I can't remember his name—in the vice president's office . . . After that we got tax exempt status within a week."

The records at IRS show that the application was filed on Dec. 14, and the ruling was issued Dec. 21. Officials at IRS have also confirmed to this correspondent that "someone" from the vice president's office did telephone in behalf of the application, but there is no record of the conversation. The IRS officials say the call had nothing to do with the ruling that so quickly followed.

It is not unusual for some applications to get prompt rulings if they are 100 percent charitable or educational and have no political tinge. District offices can give rulings to "pure" groups (like the Red Cross, for example)

without consulting Washington.

In other cases, however, where political activity may be involved, the application must be forwarded to Washington for review. Tax lawyers familiar with IRS practices say that it often takes months, even years, to get a ruling in these circumstances.

Officials at IRS say that Affirmation: Viet Nam got virtually instant approval because the application presented "no special problem."

It is true that Affirmation: Viet Nam (like all petitioners) called itself exclusively "charitable and educational" in applying to the district IRS chief at Atlanta, but it is significant that he felt obliged to forward it to Washington for action.

Eighteen months ago, the Washington Peace Center in the nation's capital filed a similar application for tax exemption, but after all this time it has neither been processed nor granted.

The Peace Center is a much older organization than Affirmation: Viet Nam. It was organized in 1963, and, like the Atlanta group, described itself as a "charitable and educational" association. On the basis of its record it would appear to have a superior, certainly equal, claim to tax exemption, for it has been conducting a broad educational program on all phases of peace. It has not confined itself to Viet Nam as the Atlanta group has.

Nevertheless, the Peace Association has tried in vain to get a favorable ruling. The answer is always the same—the case is being "studied."

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